



Import VAT, export licences and free trade agreements: What will the new coalition bring?

The prospective coalition of CDU, CSU and SPD has presented its coalition agreement, on the basis of which it intends to form the next federal government. It contains many important topics for the German economy. We have already reported on the tax law plans in our [KMLZ VAT Newsletter 09 | 2025](#). Exciting plans have also been announced for international trade. Importation of goods and export procedures in particular could be significantly simplified for economic operators. The focus is primarily on the procedure of collecting import VAT and the issuing of export licences. Of course, it remains to be seen how many of the announced plans will ultimately be implemented.

1 Offsetting model for import VAT

The coalition agreement announces a reform of import VAT in Chapter 1 "New economic growth, good work, joint endeavours". The coalition agreement states in lines 346 and 347 that a switch to the so-called offsetting model is being sought in conjunction with the Bundesländer (federal states).

The offsetting model is mentioned in the sub-chapter "SMEs, skilled trades and the self-employed". The objective of the offsetting model is to eliminate the liquidity burden on taxable persons through the advance collection of import VAT. Currently, import VAT must be paid within ten days of the acceptance of the customs declaration (Art. 77 para. 2, 108 para. 1 sentence 1, 2 of the UCC) in analogous application of the provisions on customs duties (sec. 21 para. 2 of the German VAT Act). If the person charged is entitled to input VAT deduction, he can claim the import VAT as input VAT in his next periodical VAT return. If a permanent extension is used (sec. 46 sentence 1 of the German VAT Implementation Code), a considerable



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liquidity gap can quickly arise. In order to bridge this liquidity disadvantage, VAT law provides the option of utilising a current postponement of payment (so-called deferment account). Depending on the constellation, debtors can even postpone the due date of the import VAT until after the input VAT amount has been paid. This can even result in a liquidity advantage. However, the ongoing deferment of payment requires going through a complex authorisation procedure. The effort involved in authorising a deferment account is too high, especially for medium-sized companies and start-ups that therefore may have been addressed in this sub-chapters title. For this reason, they often pay a fee (*Vorlageprovision*) to customs representatives in order to benefit from their deferment accounts. They would therefore be among the biggest profiteers.

The offsetting model enables the import VAT to be transferred to the regular VAT assessment procedure. In contrast to the current procedure, import VAT is levied as part of the periodical VAT return. Here, the (import) VAT liability can be offset directly against the input VAT claim (sec. 15 para. 1 no. 2 of the German VAT Act). The VAT Directive expressly provides for this procedure (Art. 211 para. 2 VAT Directive). The offsetting model is already in use in multiple EU Member States. These include the Member States with the most important seaports: the Netherlands (Rotterdam) and Belgium (Antwerp).

If the offsetting model is introduced, the exact structure it will take remains to be seen. The legislator has a lot of discretionary scope here. In particular, it will have to take into account the fact that import VAT is currently levied by the federal customs authorities, but input VAT deduction is refunded by the tax authorities of the Bundesländer (*federal states*).

2 Export license processes - paradigm shift

With regard to export license processes, the coalition is announcing nothing less than a “paradigm shift”. Continuous checks are to be replaced by random checks. However, prior export licenses will no longer be required. Instead of constant monitoring by checking applications for export licenses, even stricter penalties are to be imposed for violations. In view of the fact that authorisation processes often take up to a year or longer, this would represent a real relief for exporters.

3 Free trade agreements

The coalition is endeavouring to deepen strategic partnerships. Latin American countries are mentioned in particular in this context. The long-negotiated free trade agreement with “Mercosur” is to be finalised. Most recently, the negotiations failed due to the interests of European agriculture. The deepening of a strategic partnership with India should also lead to a free trade agreement. Low-threshold access to new sales markets may be relevant for European exporters, particularly in light of the uncertainties associated with the Trump administration in the USA.

4 Conclusion

The coalition agreement gives reason for confidence among taxable persons operating in the international trade in goods. Consistent implementation of the announced measures could make things much easier. It remains to be seen how the plans will actually develop over the next few years. If you would like to refresh or deepen your knowledge in the field of import VAT law or customs and excise law topics, the upcoming seminars held by our [KMLZ Academy](#) are just what you are looking for: [Import VAT law](#) (basic principles: 30 April 2025 and in-depth: 7 May 2025); [basic principles on the law of the value of goods for customs purposes](#) (5 May 2025); [basic principles of customs tariff law](#) (12 May 2025).